

# Press Release



16 November 2016

## **GPE sells 73/89 Oxford Street, W1 for £276.5 million.**

Great Portland Estates plc (“GPE”) has completed the sale of the freehold of 73/89 Oxford Street and 1 Dean Street, London, W1 (“Oxford Street”) to Norges Bank Real Estate Management (“NBREM”) for a price of £276.5 million, reflecting a net initial yield to the buyer of 3.2%.

The office and retail development is under construction with practical completion (“PC”) expected in Q2 2017. The scheme is pre-let to New Look Retailers Ltd, Benetton Group S.r.l and Moneysupermarket.com Group PLC with a WAULT of 17.0 years. The rent on completion will be £9.74 million per annum (subject to final measurement on PC).

NBREM have paid £205.2 million, with the balance of the purchase price payable on completion of the leases following PC. The price NBREM will pay allows for a deduction in lieu of interest on their initial capital outlay until PC at a rate of 3.2% per annum and an allowance for tenant rent free periods. Based on the current cost and programme, GPE will receive two further payments on completion of the leases in July 2017 of £46.2 million in deferred consideration and £25.1 million for reimbursement of the development costs to complete the scheme.

Toby Courtauld said, “Oxford Street has been an exceptional project for us and this sale continues our strategy of recycling capital out of assets where we have created significant value. Having secured an attractive planning permission, pre-let the building and enhanced our interest through the purchase of the freehold earlier this year, this sale crystallises a whole life capital return of 75% and an annualised unlevered IRR of 28.4%.”

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